INFORMATION LETTER

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CANNED FRUIT AND VEGETABLE PRICES DECONTROLLED

Texts of 1952 Amendments to Defense Production Act

Following are the texts of amendments of most concern to canners in the 1952 amendments to the Defense Production Act:

Price Stabilization

Sec. 402(d)(3) "* * * No ceiling shall be established or maintained under this title for fruits or vegetables in fresh or processed form."

"Sec. 411. In the administration of this title, no person shall be required to furnish any reports or other information with respect to sales of materials or services at prices which are below ceiling, if such person certifies to the President that such sales were made at such prices."

Wage Stabilization

Sec. 402(d)(2). "* * * No regulation or order shall be issued or remain in effect, under this title which prohibits the payment or receipt of hourly wages at a rate of $1 per hour or less."

Sec. 402(e) "The authority conferred by this title shall not be exercised with respect to the following:

"(ix) Wages, salaries, or other compensation of persons employed in small-business enterprises as defined in this paragraph: *Provided*, however, That the President may from time to time exclude from this exemption such enterprises on the basis of industries, types of business, occupations, or areas, if their exemption would be unstabilizing with respect to wages, salaries, or other compensation, prices or manpower, or would otherwise be contrary to the purposes of this Act. A small-business enterprise, for the purpose of this paragraph, is any enterprise in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. This paragraph shall become effective thirty days after its enactment.

"(xi) Agricultural labor."

"Suspension of Controls

"Sec. 412. It is hereby declared to be the policy of the Congress that the President shall use the price, wage,

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Congress Adopts Amendments Suspending Reports to OPS on Items Selling below Ceiling; Policy Statement Calls for Termination of All Controls

Canned fruits and vegetables were decontrolled, and price controls on other canned foods were made less burdensome by the Defense Production Act Amendments of 1952 which became effective July 1.

Of special concern to canners in the new law are the exemption of fresh and processed fruits and vegetables from price control, a provision suspending the filing of reports on items selling below ceiling, and a statement of policy by the Congress favoring termination of controls.

These are among many major relaxations and revisions of price, wage, and other control authority made by the 1952 amendments. The texts of certain of the amendments of concern to canners are reproduced elsewhere on this page.

Congress completed action on the 1952 amendments on June 28 and the President approved the new law on June 30, just a few hours before the scheduled expiration of controls. Following the President's signature, the N.C.A. mailed to all canners a special bulletin on the 1952 amendments.

Because several of the amendments were developed in final form either on the floor of the Senate or House or in the Conference Committee, there is little or no legislative history on which to rely for interpretation of the statutory language and only the most general guide to the Congressional intent. The exact scope of many of the new provisions therefore must await official clarification and more detailed legal analysis now under way.

OPS expects to formulate its views on the application of the 1952 amendments by early next week.

Exemption of Processed Fruits and Vegetables

The amendment offered by Representative Harrison (Va.), prohibiting the continuation of controls on fresh or processed fruits and vegetables, is contained in the new law. It provides that "no ceiling shall be established or maintained under this title for fruits

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Can Order, M-25

To cushion the impact of the steel strike on the preservation of 1952 food crops, the National Production Authority on June 30 suspended certain can material specifications and directed can manufacturers to give preference to orders for packing perishable food products. The action was taken by Direction 4 to the can order, M-25.

The direction will make it possible for packers to use plate containing any weight of tin coating for perishable foods without regard to Schedule I of M-25. Perishable food products are defined by NPA as "any food product for human consumption which by trade and custom and to prevent spoilage is canned quickly after its first separation from its natural source."

The direction to can manufacturers is expected to divert suitable material

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Heavy Carloading

The Interstate Commerce Commission plans to vacate the heavy carloading order, Service Order 878, on July 15, provided that loadings continue as heavy as they have been and provided further that canners continue to report average monthly loadings to the ICC.

Texts of 1952 Amendments

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and other powers conferred by this Act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this Act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record-keeping which retard rather than assist in the achievement of the purposes of this Act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other compensation, or both, is necessary in order to effectuate the purposes of this Act, he shall by regulation or order terminate the suspension."

Defense Production Act

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or vegetables in fresh or processed form."

It is clear that fruits and vegetables, whether fresh, canned, frozen, dried, or otherwise processed, are now freed from price control. This effect is independent of any further action by the Office of Price Stabilization.

The exact nature of the products which will be able to qualify under this exempting provision is nowhere spelled out in the new legislation. It seems clear beyond challenge all of the products presently covered by CPR 55 and CPR 56 will be exempted; and the status of other canned products will have to be determined.

Other Price Control Changes

For canners of those products which may be unable to qualify under the canned fruit and vegetable exemptions, the new law contains a number of further relaxations and modifications of the price control authority. A new section declares it to be the policy of Congress that general control of wages and prices should be terminated as rapidly as possible consistent with the policies and purpose of the Act, and that pending such termination, controls over wages and prices should be suspended whenever possible, consistent with specified stabilization considerations, to avoid burdensome and unnecessary reporting and record keeping. While this policy statement does not direct specific decontrol action by the Office of Price Stabilization, as an expression of Congressional desires, it will probably have some effect in guiding agency action.

Another new section also relieves sellers of the burden of furnishing reports or other information to the OPS in cases where the materials involved are selling below ceilings if the seller certifies to the President that such sales were made below ceiling prices. Under this provision, existing price ceilings would not be suspended and would remain in effect as a stopping point should prices of a commodity go back to the ceiling price level.

The so-called Williams amendment to the Senate bill was also included in the final version. It obligates the Office of Price Stabilization, whenever it applies price ceilings to any agricultural commodity at the farm level, to provide margins for processors, wholesalers, and retailers that allow these processors, wholesalers, and retailers their normal markups but no more than their normal "margins of profit." This somewhat vaguely-purposed provision is not wholly clear in effect. Apparently it would require markup pricing for all processors of farm commodities to which ceilings are applied.

A further change in the Capehart amendment provision of the Defense Production Act makes it clear that any processor of agricultural commodities has the same right to an individual adjustment of his ceiling prices under the Capehart Amendment as does a manufacturer or processor of non-agricultural commodities.

A further amendment requires that Capehart adjustments be granted on an "agricultural marketing area" basis. This latter provision will have principal effect on ceilings applicable to milk producers.

Wage Control Amendments

Two wage control amendments of major interest to the canning industry are included in the new law. The first of these prohibits the Wage Stabilization Board from stabilizing wages at any level prohibiting employees from obtaining an hourly rate of $1.00 or less. The second affords a complete exemption of wages paid for agricultural labor from the wage stabilization authority.

Wages, salaries or other compensation of persons employed in small business enterprises are to be exempt from wage controls. A small-business enterprise, for purposes of this provision, is any enterprise in which a total of eight or less persons are employed. The President is authorized, however, to continue such controls if he determines that in respect to particular industries, areas, or types of business the removal of controls would have an unstabilizing effect.

Revision of Price Regulations

Three major changes have been effected in the procedures to be followed in contesting price regulations and orders. The Emergency Court of Appeals is given authority, in its discretion, to grant temporary relief or restraining orders in proper cases. Also eliminated is the existing provision which stays for thirty days the effectiveness of any court order enjoining or setting aside a regulation or order of the Office of Price Stabilization. The scope of review permitted to the Court has also been extended by new language enabling the court to upset findings of fact made by the Office of Price Stabilization unless such findings are supported by "substantial evidence on the record considered as a whole."

Termination

The 1952 amendments extend the price control powers under the Act until April 30, 1953. All other authority under the Act will terminate June 30, 1953.

President Truman's Statement

President Truman, in a statement issued by the White House the day after he had signed the Defense Production Act Amendments of 1952, said, in part:

"One of the bad things the law does is to exempt all fruits and vegetables, fresh, canned and frozen, from price control. This means that the housewife will be exposed to higher prices on fully twenty percent of her market basket. It is very likely that in many areas the price of milk will go up as the result of another amendment. Farmers will have to pay more for fertilizer as a result of still another amendment. Many other changes have been made in the law, all having the effect of making the administration and enforcement of price controls more difficult."

Information Letter Schedule

Because of the July 4 holiday, it was necessary to close the deadline on this issue of the INFORMATION LETTER more than 24 hours earlier than usual. Every effort has been made to report all of the week's developments as of press-time.

FOREIGN TRADE

Customs Drawback Procedures

A drawback entry and certificate of manufacture may be filed within three years after exportation of the merchandise concerned, under terms of Treasury Decision 53025, issued by the Bureau of the Customs with the approval of the Treasury Department, and published in the *Federal Register* of June 27.

Drawback entries previously could be filed only within two years after exportation (see INFORMATION LETTER of April 19, page 158).

Western European Licensing

In a compilation of Western European firms interested in entering into licensing arrangements with United States firms for industrial patents, processes, techniques, equipment and/or capital, the Mutual Security Agency lists the following proposals:

No. 1006—Meat Products—France: The owner of a food processing plant wants to make an arrangement with a U. S. firm to operate it, and he wants to handle sales for this operating firm. Will consider U. S. capital investment.

No. 1019—Canned Foods—Algeria: License is sought to manufacture food products by American processes and formulas.

Details of the proposals may be obtained from the Mutual Security Agency, Office of Small Business, 806 Connecticut Ave., N. W., Washington 25, D. C.

Can Order, M-25

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from other processing areas to packers of perishable foods.

Following is the text of Direction 4 to M-25:

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter VI—National Production Authority, Department of Commerce

[NPA Order M-25, Direction 4 of June 30, 1952]

M-25—CANS

DIR. 4—EMERGENCY PACKING OF PERISHABLE FOOD PRODUCTS

This direction to NPA Order M-25 is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this direction there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

REGULATORY PROVISIONS

Sec.
1. What this direction does.
2. Definition.
3. Suspension of can material specifications for perishable food products.
4. Direction to can manufacturers.
5. Duration of this direction.

AUTHORITY: Sections 1 to 5 issued under sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154. Interpret or apply sec. 101, 64 Stat. 799, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2071; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61; 3 CFR 1951 Supp.; secs. 402, 405, E. O. 10281, Aug. 28, 1951, 16 F. R. 8789; 3 CFR, 1951 Supp.

Section 1. *What this direction does.* For the purpose of applying, so far as practicable, all stocks of tin plate currently available or to become available to the packing of perishable food products, this direction suspends can material specifications for packing such products and requires can manufacturers to give preference (subject to direct defense requirements) to orders for cans for packing such products.

Sec. 2. *Definition.* "Perishable food product" means any food product for human consumption which by trade custom and to prevent spoilage is canned quickly after its first separation from its natural source.

Sec. 3. *Suspension of can material specification for perishable food products.* Any packer may pack any perishable food product listed in Schedule I of NPA Order M-25 without regard to the can material specifications prescribed for that product by that schedule.

Sec. 4. *Direction to can manufacturers.* Subject to the provisions of section 8 of NPA Order M-25, every can-manufacturer shall schedule his operations (including the use of all tin plate in his possession, and his ordering of any such plate) so as to insure, so far as practicable, preference in the filling of orders for cans for packing perishable food products.

Sec. 5. *Duration of this direction.* This direction shall continue in effect until the National Production Authority shall by order, by direction, or by revocation of this direction, otherwise provide.

This direction shall take effect June 30, 1952.

NATIONAL PRODUCTION AUTHORITY,

By JOHN B. OLVERSON,
Recording Secretary.

STATISTICS

1952 Acreage of Peas for Canning

The actual planted acreage of green peas sown for canning in 1952 totaled 325,714 acres, or 5 percent less than the planted acreage in 1951 of 343,924 acres, according to a report by the N.C.A. Division of Statistics.

(The U. S. Department of Agriculture has estimated planted acreage of peas for processing, including canning, freezing, brining and other purposes, at 446,200 acres as of June 15.)

The planted acreage figures reported by the Statistics Division cover only peas planted for canning and do not include acreage for other forms of processing. However, in harvesting, some acreage may be diverted into forms of processing other than canning.

1952 Pea Acreage with Comparisons

States	Alaskas (acres)	Sweets—Early (acres)	Sweets—Late (acres)	1952 Total (acres)	1951 Total (acres)	Change from 1951 (percent)
Maine	.....	200	1,050	1,250	1,841	− 32
New York	400	5,456	6,356	12,212	14,147	− 14
Maryland	3,804	1,899	1,337	7,040	9,025	− 22
Delaware and New Jersey	760	30	160	950	420	+126
Pennsylvania	2,882	3,358	3,955	10,195	10,258	− 1
Ohio	1,831	300	342	2,473	2,517	− 2
Indiana	2,442	20	94	2,556	3,024	− 15
Illinois	6,440	6,904	15,020	28,373	27,708	+ 2
Michigan	719	2,435	437	3,591	4,006	− 10
Wisconsin	47,145	40,490	44,829	132,464	134,126	− 1
Minnesota	13,922	4,174	22,225	40,321	40,427	(a)
Utah and Idaho	.....	1,165	8,945	10,110	14,080	− 28
Washington and Oregon	5,093	17,767	34,565	57,425	65,333	− 12
Other states	4,542	5,068	7,144	16,754	17,012	− 15
U. S. Total	89,989	89,266	146,459	325,714	343,924	− 5

(a) Less than 1 percent.

DEATH

Norman L. Waggoner

Norman L. Waggoner, 65, canner and broker of San Jose, Calif., died July 1. For many years active in canned foods sales, he headed the Waggoner Food Co. and the Santa Clara Packing Co.

Mr. Waggoner was Chairman last year of the Dedication Committee which planned and staged the ceremonies dedicating the new N.C.A. Western Branch Laboratory building in Berkeley, Calif.

He also served a three-year term on the N.C.A. Board of Directors, 1948-51. Previously he was a member of the Committee on Simplification of Containers, 1947-1949.

He is survived by his wife and three sons.

PUBLICITY

Odd Facts About Tin Cans

One of the features of the July issue of *Coronet* (circulation 2,642,836), deals with various public service aspects of canned foods. Under the title "Odd Facts About Tin Cans" by Maya Pines, a sequence of short paragraphs tells how Nicholas Appert, in 1809 "started a new industry" when he accepted the prize from Napoleon for his discovery of the canning principle. (The N.C.A. is now engaged in circulating to members and others publicity material to aid them in observing the 200th birthday of Appert on October 23.) There are references to the evolution of the canning industry in America, the keeping qualities of canned products, and other aspects of canned foods.

Woman's Day Magazine

An article entitled "Dinner for Two Using Canned Meat" appears in the June issue of *Woman's Day* magazine. It is another "Found Money" article, the monthly magazine feature of good buys.

The 11 recipes and accompanying menu suggestions, using canned meats, are not only presented as good buys, but are featured as time and energy saving for working wives and "simple enough for even new brides to make."

The canned foods used in the article are corned beef, corned beef hash, chicken, luncheon meat, dried beef, deviled ham, tongue, Vienna sausage, chopped beef, carrots, onions, pimiento, corn, peas, lima beans, tomatoes and tomato sauce, mushroom soup and canned fruit.

PROCUREMENT

Amounts of Canned Foods Procured from 1951 Pack

Amounts of canned fruits and vegetables procured by the Army Quartermaster Corps from the 1951 pack for use of all the armed forces, and including quantities for the Veterans Administration, have been made available to the N.C.A. by the Department of Defense.

Following are the total 1951 purchases, together with announced 1952 requirements, with comparisons:

Canned Vegetables

Item	1951 purchases	1952 requirements	Change from 1951
	(in thousand pounds)		*(percent)*
Asparagus	14,187	4,962	−65
Beans, lima	16,407	11,658	−29
Beans, string	38,534	41,754	+ 8
Carrots	9,600	12,325	+28
Corn, cream style	22,361	48,770	− 9
Corn, whole kernel	31,156		
Peas, green	80,908	51,722	−36
Potatoes, sweet	19,234	33,799	+76
Pumpkin	7,437	1,219	−84
Tomatoes	110,819	49,886	−55
Tomato juice	49,317	(a)	....
Tomato catsup	44,544	21,516	−52
Tomato paste	15,411	6,403	−58

Canned Fruits

Item	1951 purchases	1952 requirements	Change from 1951
	(in thousand pounds)		*(percent)*
Apples	34,261	10,131	−70
Apple sauce	17,582	15,587	−11
Apricots	23,378	27,146	+16
Berries	8,918	6,214	−30
Cherries, R8P	35,225	14,718	−58
Cherries, sweet	5,306	2,131	−60
Figs	8,448	6,114	−28
Fruit cocktail	43,091	18,527	−57
Grapefruit	14,551	(a)	....
Juice, apple	712	(a)	....
Juice, grape	7,050	(a)	....
Juice, grapefruit	11,986	(a)	....
Juice, orange	36,945	(a)	....
Juice, blended	29,903	(a)	....
Juice, pineapple	36,486	(a)	....
Peaches	85,701	46,126	−46
Pears	32,972	15,466	−53
Pineapple	42,258	31,338	−26
Plums	7,579	9,942	+31

(a) Not announced.

It should be noted that purchases from the 1951 pack include quantities for the Veterans Administration while the 1952-pack requirements do not.

PERSONNEL

Caar Canning Co. Reorganizes

The Caar Canning Company, Redkey, Ind., has elected new officers and has announced that it will continue the policies of the company when under the direction of the late H. L. Aukerman. New officers of the firm are B. E. Aukerman, president; Gilbert Hartup, treasurer; and Helen Joyce Hartup, secretary.

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